MINUTES - REGULAR MEETING
SANTA MARIA CITY COUNCIL

CITY HALL COUNCIL CHAMBERS
SANTA MARIA, CALIFORNIA

JUNE 16, 2015

CALL TO ORDER:
Mayor Patino called the meeting to order at 6:00 p.m.

ROLL CALL:
MEMBERS PRESENT
Councilmembers Boysen, Orach, Waterfield, Zuniga, and Mayor Patino.

STAFF MEMBERS PRESENT
City Manager Haydon, City Attorney Trujillo, and Chief Deputy City Clerk Garietz.

PUBLIC COMMENT:
There were no requests to speak.

RECESS:
Mayor Patino recessed to a Closed Session at 6:00 p.m. for Conference with Legal Counsel – Existing Litigation Pursuant to Government Code §54956.9 Subdivision (d)(1) regarding 1) Margarita Uriarte v. City of Santa Maria, et al., Case No. 1483494 Superior Court of California, County of Santa Barbara, Cook Division; and 2) Rick Prancevic v. Danny Macagni, et al., Case No. CV10-3667-JHN-AGRx, United Stated District Court, Central District of California.

INVOCATION:
Pastor Carl Nielsen of Bethel Lutheran Church gave the Invocation.

PLEDGE OF ALLEGIANCE TO THE FLAG:
Councilmember Zuniga led the Pledge of Allegiance.

CALL TO ORDER:
Mayor Patino reconvened the meeting and called to order at 6:30 p.m.

ROLL CALL:
MEMBERS PRESENT
Councilmembers Boysen, Orach, Waterfield, Zuniga, and Mayor Patino.

CLOSED SESSION REPORT:
Following the Closed Session, the City Attorney reported that there were no reportable actions for either Closed Session item.

STAFF MEMBERS PRESENT
City Manager Haydon, City Attorney Trujillo, Director of Community Development Appel, City Librarian Housel, Director of Public Works/City Engineer Kahn, Police Chief Martin, Fire Chief Orr, Recreation and Parks Director Posada, Director of Utilities Springer, Deputy City Manager Stilwell, Deputy City Manager Tse, Director of Administrative Services Visé, Recreation Services Manager Coelho-Hudson, Recreation Services Manager Reyburn, and Chief Deputy City Clerk Garietz.

1. PROCLAMATIONS/COMMENDATIONS/PRESENTATIONS:

A. VOLUNTEER OF THE MONTH – RECREATION AND PARKS DEPARTMENT
Councilmember Zuniga presented a certificate of appreciation and plaque to the Recreation and Parks Department's Volunteers of the Month, Jennifer Ramirez and Mitzy Hernandez, thanking them for their significant contributions to the Step Up Santa Maria Volunteer Program.

B. ALL-AMERICA CITY COMMITTEE – 2015 SPIRIT OF SANTA MARIA AWARDS
Mayor Patino, along with Director of Recreation and Parks Posada, presented the inaugural All-America City Committee's 2015 Spirit of Santa Maria Awards to recipients Pastor Carl Nielsen, Peter M. Burgett, and Altrusa International of Santa Maria, Inc. The award recognizes individuals, organizations, or businesses that contribute a significant amount of time, effort, resources, or funding toward addressing community concerns that enhance the quality of life in Santa Maria. Pastor Carl Nielsen was recognized for his leadership and organizational skills transforming Serve Santa Maria into the powerful catalyst it has become in the community. Pastor Carl announced the next Serve Santa Maria event would be Saturday, August 29, 2015. Peter M. Burgett was recognized for his extensive volunteerism with the Santa Maria Police Department, the Santa Barbara County Sheriff's Department, the Santa Maria Library, Civil Air Patrol, and at the animal shelter. Altrusa International of Santa Maria, Inc. was recognized for their citizen participation, volunteerism, philanthropy, and community information sharing.

2. PUBLIC COMMENT PERIOD
Judith Monte, representing the Food Bank, spoke about the launch of the organization's *Picnic in the Park Program*. The program offers free lunches in City parks all summer long, thus filling the gap for

those children who would normally receive free lunches during the school year. In the span of three days, they served more than 500 children. She invited everyone to stop by to play games with the kids and see how the program works.

City Manager Haydon introduced new Deputy City Manager, Jason Stilwell. Mr. Stilwell holds a Master's Degree in Public Administration and a Doctoral Degree in Public Affairs. He is a Credentialed City Manager who worked for a number of years with the County of Santa Barbara. City Manager Haydon commented on Mr. Stilwell's exceptional skill set and the fact that he also has a strong background in Budgeting.

Councilmember Orach asked Director of Utilities Springer to share information regarding the City's recent groundwater report.

Director of Utilities Springer reported that the groundwater levels are still within historic ranges and the basin levels are well above sea level minimizing the possibility of intrusion by sea water.

Mayor Patino asked that a presentation on water conservation be part of the agenda at the next meeting.

Director of Utilities Springer stated that staff was anticipating a July 21st presentation to the City Council. He stated that the only limitation on water currently is the prohibition of watering ornamental turf between the hours of 12:00 p.m. and 4:00 p.m. He did encourage people to adjust sprinklers down to the minimum amount required to keep their lawn alive. Automatic sprinklers should be adjusted so there is not water runoff onto the sidewalk. Hoses should have an automatic shut-off valve. Sidewalks and driveways are not to be hosed down, but rather cleaned with a broom or leaf blower. Also, no watering is allowed after a measurable rain event. Beginning in November, water restrictions will be included in the process of obtaining permits from the Community Development Department.

3. CONSENT CALENDAR:
Councilmember Waterfield indicated that she would be abstaining from voting on Item 3C (Warrants) due to a financial conflict.

Councilmember Boysen asked to comment on Items 3E and 3F.

3E - 2015 Investment Policy
Councilmember Boysen explained that the item was just a request for a couple of new opportunities to invest in low-risk banks that might provide better yields in this time of falling rates.

3F – HOME Investment Partnerships Program
Councilmember Boysen extended kudos to Administrative Services Director Vise and Special Projects Manager Coelho-Hudson for their work on the five-year plan, particularly with such limited staff.

Consent Calendar Items 3A through 3M (except 3C) were approved on motion by Councilmember Boysen, seconded by Councilmember Zuniga, and carried on the following vote: 5-0

AYES: Councilmembers Boysen, Orach, Waterfield, Zuniga, and Mayor Patino
NOES: None
ABSENT: None
ABSTAIN: None

Consent Calendar Item 3C (Warrants) only was approved on motion by Councilmember Boysen, seconded by Councilmember Zuniga, and carried on the following vote: 4-0-1

AYES: Councilmembers Boysen, Orach, Zuniga, and Mayor Patino
NOES: None
ABSENT: None
ABSTAIN: Councilmember Waterfield

A. ORDINANCES
The reading in full of all ordinances and resolutions was waived. Ordinances on the Consent Calendar were adopted by the same vote cast at the first reading unless City Council indicated otherwise.

B. MINUTES
The Minutes of the Regular Meeting of the City Council of June 2, 2015, were approved as submitted.

C. WARRANTS
Warrant Nos. 193612 to 193886 totaling $19,483,477.83 were ordered ratified subject to having been certified as being in conformity with the budget and having been approved for payment by the Director of Administrative Services. Warrant Nos. 188803, 189163, 191888, 192626, 192631, 192642, 192675, 192779, 193096, 193225, and 193348 were cancelled.

D. PAYROLL
Payment of payroll was ordered ratified subject to having been certified by the proper Department Heads, as shown on records on file in the Department of Administrative Services and having been approved for payment by the Director of Administrative Services.

E. 2015 INVESTMENT POLICY
Resolution No. 2015-54 was adopted approving the City of Santa Maria's 2015 Investment Policy and delegating the authority for implementing the Investment Policy and oversight responsibility to the City's Investment Officer.

Resolution No. 2015-54 adopted. A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SANTA MARIA, CALIFORNIA, ADOPTING THE 2015 INVESTMENT POLICY AND DELEGATING THE AUTHORITY FOR IMPLEMENTING THE INVESTMENT POLICY AND OVERSIGHT RESPONSIBILITY TO THE CITY'S INVESTMENT OFFICER.

F. 2015-20 CONSOLIDATED PLAN
Resolution No. 2015-55 was adopted approving the 2015-20 Consolidated Plan for the use of Federal funds under the Community Development Block Grant (CDBG) Program and the HOME Investment Partnerships (HOME) Program.

Resolution No. 2015-55 adopted. A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SANTA MARIA, CALIFORNIA, APPROVING THE 2015-20 CONSOLIDATED PLAN FOR THE USE OF FEDERAL FUNDS UNDER THE COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) PROGRAM AND THE HOME INVESTMENT PARTNERSHIPS (HOME) PROGRAM.

G. AMENDMENT NO. 6 TO AGREEMENT WITH CARL WARREN & COMPANY
Resolution No. 2015-56 was adopted approving Amendment No. 6 to the City's Agreement with Carl Warren & Company for third party claims administration services; and authorizing the City Attorney to execute Amendment No. 6.

Resolution No. 2015-56 adopted. A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SANTA MARIA, CALIFORNIA, AUTHORIZING THE EXECUTION OF AMENDMENT NO. 6 TO THE EXISTING AGREEMENT WITH CARL WARREN & COMPANY TO PROVIDE THIRD PARTY ADMINISTRATION SERVICES FOR THE CITY'S LIABILITY PROGRAM.

H. MISSION CREEK PROJECT ZONE CHANGE
The City Council conducted the second reading and adopted Ordinance No. 2015-07 amending the official zoning map to change 1.1 acres at 2880 Santa Maria Way with the Mission Creek Project.

Ordinance No. 2015-07 adopted. AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SANTA MARIA, CALIFORNIA, AMENDING THE OFFICIAL ZONING MAP TO CHANGE 1.1 ACRES AT 2880 SANTA MARIA WAY.

I. FAIRWAY DRIVE ZONE CHANGE
The City Council conducted the second reading and adopted Ordinance No. 2015-08 amending the official zoning map for 14.9 acres for the West Fairway Drive Project (GPZ2015-0002) Assessor's Parcel Nos. 111-231-002 and -015, located on the south side of the 1400 block of Fairway Drive.

Ordinance No. 2015-08 adopted. AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SANTA MARIA, CALIFORNIA, AMENDING THE OFFICIAL ZONING MAP TO CHANGE FOR 14.9 ACRES FOR THE WEST FAIRWAY DRIVE PROJECT (GPZ2015-0002) ASSESSOR'S PARCEL NOS. 111-231-002 AND -015, LOCATED ON THE SOUTH SIDE OF THE 1400 BLOCK OF FAIRWAY DRIVE.

J. AWARD OF BID NO. 2015/05 FOR OAKLEY PARK IMPROVEMENTS

Resolution No. 2015-57 was adopted awarding the bid for the Oakley Park Improvements, Bid No. 2015/05, and approving a contract with G. Sosa Construction, Inc. in the amount of $1,310,084.00.

Resolution No. 2015-57 adopted. A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SANTA MARIA, CALIFORNIA, APPROVING A CONTRACT WITH G. SOSA CONSTRUCTION, INC., FOR BID NO. 2015/05, OAKLEY PARK IMPROVEMENTS.

K. TITLE VI PROGRAM UPDATE
Resolution No. 2015-58 was adopted approving the Title VI Program Update relating to the Civil Rights Act of 1964 to receive federal funding for Santa Maria Area Public Transit services.

Resolution No. 2015-58 adopted. A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SANTA MARIA, CALIFORNIA, APPROVING THE TITLE VI PROGRAM UPDATE FOR THE SANTA MARIA AREA TRANSIT PUBLIC TRANSPORTATION SERVICES.

L. PIONEER PARK CELL TOWER
Resolution No. 2015-59 was adopted approving Amendment No. 3 to the Lease Agreement with the Santa Maria Public Airport District regarding the addition of a Cell Tower in the parking lot at Pioneer Park.

Resolution No. 2015-59 adopted. A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SANTA MARIA, CALIFORNIA, AUTHORIZING THE EXECUTION OF THE THIRD AMENDMENT OF THE AGREEMENT WITH THE SANTA MARIA AIRPORT DISTRICT TO LEASE PROPERTY FOR "PIONEER PARK".

M. USED OIL PAYMENT PROGRAM
Resolution No. 2015-60 was adopted approving Amendment No. 3 to the Lease Agreement with the Santa Maria Public Airport District regarding the addition of a Cell Tower in the parking lot at Pioneer Park.

Resolution No. 2015-60 adopted. A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SANTA MARIA, CALIFORNIA, AUTHORIZING THE SUBMISSION OF APPLICATIONS FOR CALRECYCLE'S USED OIL PAYMENT PROGRAM

4. MID-CYCLE BUDGET REVIEW. The City Council considered amendments to the 2015-16 budget. City Manager Haydon gave a presentation as detailed in the Council Agenda Report. In June 2014, Council approved two one-year budgets 2014-15 & 2015-16. The item before Council this evening is to consider adjustments to the 2015-16 budget. Mr. Haydon stated that the labor market was looking more upbeat with the national unemployment rate at 5.4 percent compared to 10 percent six years ago. According to national reports, the number of Americans needing to work part-time for economic reasons had declined in the past year, but was still higher than pre-recession levels. Locally, Santa Maria's unemployment rate had declined to 5.6 percent.

Home values were showing a ten percent increase over this time last year, with the median home value in Santa Maria at $315,000. Property tax receipts were at an all-time high. The City received ten percent of a tax payers' property taxes that are paid to the County of Santa Barbara, resulting in $16 million this year and that a majority of residents' property tax goes toward local school districts (two-thirds), roughly $100 million.

Sales tax was the number one revenue source in the City of Santa Maria. The expectation is that the City would receive an additional $2.4 million next year in the General Fund. However, $1.3 million of that amount would be a one-time reimbursement to the City by way of the triple-flip and the end of the Proposition 57 financing arrangement the State of California enacted back in 2004.

Construction permits revenue had increased along with the boom in the housing market. The City was almost back where it was ten years ago with regard to construction permits. Non-Hazardous Hydrocarbon Impacted Soil (NHIS) revenues appear to be fairly consistent – hovering around $2 million annually. During the next year, the City will rely on this revenue source to finance the increased operational costs of the General Fund.

Although just a few years' ago, the City received between $1 million and $3 million in interest income, the City has consistently been receiving approximately $500,000 annually. Decreased fund balances and low interest rates have had a negative, compounding effect on this revenue source. Overall,

operating revenues have increased steadily over the last three years; thanks, in part, to Measure U2012.

Proposed appropriations for 2015-16 are $63.7 million. General Fund revenues are anticipated to be approximately $60.2 million, leaving the City with an estimated deficit of $3.5 million. Staff expected to bridge the gap by transferring money from the Local Economic Augmentation Fund (LEAF) account. Two General Fund Departments (Police and Fire) combined make up $36 million of the total amount. Thus, more than half of next year's budget would be in public safety areas. This increase can be attributed to three factors: negotiated compensation and merit increases, a one-time transfer to the Business Equipment Fund, and three new police officers.

2015-16 Measure U2012 appropriations are expected to exceed revenues by $331,000. Staff will be reassessing Measure U-related operational costs in 2015-16 to ensure that expenses do not continue to exceed revenues. Staff will be bringing a proposal before Council regarding moving some positions out of Measure U2012 fund to the General Fund during this next year.

Councilmember Boysen asked if the three new police officer costs were included in the Measure U analysis.

City Manager Haydon responded that the police officer positions would be funded through the General Fund, not Measure U funds. He also said that 90 percent of all Measure U appropriations would be in public safety with 48 percent being police related, and 42 percent fire related.

Appropriations for all operating funds (General Fund, Measure U2012, Enterprise Funds, and Special Revenue Funds) were expected to be $158.5 million. Appropriations for All Funds, (includes those just mentioned as well as Landscape & Maintenance Funds, Capital and Internal Service Fund) were expected to be $186 million.

With the opening of the new Police Department facility on Betteravia Road, along with the new state-of-the-art 700 MHz trunked radio communication system, staff was recommending that a new Enterprise fund be setup called the Radio/Technology Fund. Staff has been in discussions with other municipalities and school districts that have shown an interest in partnering with the City on this project. In addition to the radio project, other technology-related projects that could be affiliated with the fund include the co-location of (computer) servers from outside agencies in the new police facility, and the potential to complete the City's fiber optic loop and partner with nearby businesses on the use of such resources.

Total authorized staffing level would be 490 employees, which includes seven new full-time positions: three new Police Officers and an Assistant Identification Technician in the Police Department; a Water Quality Programs Manager; a Facility Supervisor; and a Building Permit Technician. Sixty-five percent of all employees in the General Fund are police and fire staff.

Amendments to Capital Projects include $2.5 million to upgrade the dispatch and records management systems with police and fire; $105,000 toward Tenant Improvement Plans for the old library with the intention of moving staff from the Ruffoni building into the old library; $100,000 toward replacing the Paul Nelson pool gas heaters; $75,000 toward the Oakley Park Restrooms; $42,000 to design the Buena Vista Park renovations; and $20,000 toward improvements with the police locker rooms.

Staff was also recommending a "Welcome to Santa Maria" monument sign at the Highway 101 and Highway 135 interchange on the southbound side of Highway 101. The cost for this would be $103,000 coming out of the Business Attraction Loan Fund.

City Manager Haydon presented a series of photos taken at the new police facility and announced the Police Department would be moving into the new facility on Friday, June 19, 2015, and beginning business Monday morning at the 1111 Betteravia Road location. Phase III of the new facility would involve construction of the radio towers to house the new radio system. The old dispatch location would house City staff and the old Police Department would be declared surplus property.

City Manager Haydon stated that a policy question was before the City Council to decide whether or not the City should make a $25,000 contribution (with similar, annual contributions in the 2016-18 Budget) from the Business Attraction Loan Fund to the Airport District for the re-establishment of a U.S. Customs Office. From 2006-2009, there had been a U.S. Customs Office at the airport to receive aircraft arriving from outside the United States. Due to the lack of exposure, the lack of locally based aircrafts with international travel, and the downturn in the economy, the U.S. Customs Office at the Airport was closed. A local company, Windset Farms, has offered $75,000 toward re-establishing the

Customs Office. Staff views the re-establishment would be an economic development opportunity to showcase the Santa Maria Public Airport and the adjacent business park.

Public Comment
There were no requests to speak.

Council Discussion
Councilmember Boysen asked for clarification on items mentioned in the Council Agenda Report regarding hiring outside consulting services.

City Manager Haydon stated staff was considering hiring outside consulting services for supervisory and leadership development for its long-time staff and staff who could potentially be promoted in the future. An additional $30,000 was also being requested to hire an outside consultant to conduct a demographic assessment associated with elections and voter rights matters.

Policy Decision – City's Contribution for U.S. Customs Service at Airport
Councilmember Orach commented that from an economic development standpoint, a customs service would be beneficial to the community. He stated he supported the proposed policy and indicated that it would be an inexpensive investment on the City's part to help attract international companies.

Councilmember Boysen said he believed there would be great opportunities re-establishing the service. He asked Chris Hastert, General Manager of the Santa Maria Public Airport District, where other funding would come from.

Chris Hastert responded that the other funds would come from the Airport District. He said several agricultural companies in the City would benefit from the service, including Windset Farms. Marketing efforts would be increased and collaboration with the Chamber would help to get the word out.

Councilmember Zuniga asked if Mr. Hastert was confident that the number of flights per month (approximately 14) would cover the projected costs of the service.

Mr. Hastert said he was confident the number of flights would bring the Airport District close to breaking even on the costs.

Councilmember Waterfield commented on the foreign trade zone.

Staff was directed to make a $25,000 contribution from the Business Attraction Loan Fund to the Airport District for the re-establishment of a U.S. Customs Office with the intent to also contribute $25,000 in the 2016-18 budget, on motion by Councilmember Orach, seconded by Councilmember Boysen, and carried on the following vote: 5-0

AYES: Councilmembers Boysen, Orach, Waterfield, Zuniga and Mayor Patino
NOES: None
ABSENT: None
ABSTAIN: None

Resolution No. 2015-61 was adopted approving amendments to the 2015-16 City Budget and authorizing the City Manager to implement the same, on motion by Councilmember Boysen, seconded by Councilmember Zuniga, and carried on the following vote: 5-0

AYES: Councilmembers Boysen, Orach, Waterfield, Zuniga and Mayor Patino
NOES: None
ABSENT: None
ABSTAIN: None

Resolution No. 2015-61 adopted. A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SANTA MARIA, CALIFORNIA, APPROVING AMENDMENTS TO THE 2015-16 BUDGET AND AUTHORIZING THE CITY MANAGER TO IMPLEMENT SAME.

REPORT BY CITY MANAGER:
City Manager Haydon reiterated that the Police Department would be moving on Friday with the intention of resuming normal services on Monday, June 22. The new address will be 1111 Betteravia Road. A soft grand opening will take place in the fall.

The next City Council meeting will be in three weeks, July 7, 2015. Items to be included are several no-stopping zones; updates to personnel changes and the Conflict of Interest Code; the Landscape

Maintenance District assessments; and an Office of Independent Review (OIR) Group update regarding the Police Department audit.

Councilmember Waterfield asked what was happening in the old Blockbuster shopping center.

Community Development Director Appel replied that there was a facelift being done on the shopping center to bring it into conformance with other shopping centers. There are no plans for a new business to move in, the area is just being renovated.

ORAL REPORTS OF COUNCILMEMBERS AND OFFICERS (INCLUDING AB1234 REPORTS):
Councilmember Boysen indicated that he had nothing report.

Councilmember Orach reported that he attended the LAFCO meeting in Santa Barbara; the water management function; the Hagerman Sports Complex Anniversary celebration; the Bike Path Plan meeting; the School Council meeting; the Santa Maria Valley Chamber Salute to Volunteers Luncheon; met with Cynthia Schur; and attended a symposium at the Clark Center. He also said he met with Glenn Morris to talk about various happenings in the City.

Councilmember Zuniga reported that she spoke on the Ben Heighes radio show; attended the SMV Chamber Salute to Volunteers Luncheon; the SBCAN Looking Forward Awards Dinner; met with Cynthia Schur; attended a fundraiser for Future Leaders through the Mariachi Festival; met with community members and John Rodriguez (a candidate for the Superintendent of Santa Maria-Bonita School District position); met with the Block Grants Advisory Committee to discuss the current funding process. She apologized for any misunderstanding regarding her comments during the CDBG discussion at a previous Council meeting and said her comments were not meant to sound like criticism. She said she valued the work and dedication of the Block Grants Advisory Committee.

Councilmember Waterfield reported that she participated in the Andy Caldwell show; met with Rob Litzinger; attended the Hagerman 25th Anniversary; attended the Bike Path Master Plan workshop; met with Cynthia Schur; watched the new Police Officers being sworn in; attended the Central Coast Business Symposium; and attended the Vallarta Supermarket grand opening.

Mayor Patino reported that she spoke at a breakfast event hosted by the Home Builders Association; attended a ribbon-cutting ceremony for TechXpress; the Law Enforcement Torch Run for Special Olympics; the 25th Anniversary of Hagerman Sports Complex; the Bikeway master plan public workshop; the quarterly schools meeting; a briefing with Aera Energy; the salute to volunteers with the Elks Club; the Santa Maria High graduation ceremony; the swearing-in ceremony with the Police Department; the Central Coast Business Symposium; spoke on the Ben Heighes radio show; and attended the Vallarta Supermarket grand opening.

ADJOURNMENT:
There being no further business before the City Council, Mayor Patino declared the City Council meeting adjourned at 8:13 p.m.

APPROVED:

July 8, 2015
Date

Rhonda M. Garietz
Chief Deputy City Clerk of the City of Santa Maria and ex officio Clerk of the City Council

ATTEST:

Rhonda M. Garietz, CMC
Chief Deputy City Clerk

Alice M. Patino
Mayor of the City of Santa Maria